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INTELLIGENCE MEMORANDUM

SOCIALIZATION OF CHINESE AGRICULTURE

CIA/RR IM-370

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CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

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SOCIALIZATION OF CHINESE AGRICULTURE

Summary

The land reform program initiated in Communist China in 1947 aims at the complete socialization of Chinese agriculture. In its initial stages, land reform in Communist China has followed, with some modifications, the pattern established by the USSR, in particular as it has been applied in the European Satellites. First, the great landlords and even the more well-to-do peasants are dispossessed, and their holdings are distributed among the landless and land-poor peasants. Then follows the fostering of various types of cooperatives, all within the aura of intensive propaganda aimed toward the complete socialization of agriculture. The process is proceeding in Communist China more rapidly than was anticipated. By the spring of 1952, land had been redistributed to about 300 million peasants (including members of their households). So far, it appears that agricultural production in Communist China has not been measurably affected as a result of the land distribution, although it is still too early to evaluate with any degree of certainty the effects on agricultural production.

1. Redistribution of Land.

The Chinese Communist program of land reform was initiated under the Agrarian Law of September 1947. 1/* This law abolished ownership rights in land and provided for the confiscation of land and means of production belonging to "landlords and kulaks" and the transfer of this property to landless and land-poor peasants as private property. Land confiscation followed the "liberation" of new territories by the Chinese Communist armies, generally in a geographic pattern beginning in the Northeast (Manchuria) and North China -- so-called old liberated areas -- through the East, Central-South, and Southwest regions of China.

* Footnote references in arabic numerals are to sources listed in the Appendix.

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During the period between "liberation" and land redistribution a rent reduction program was carried out. Instructions were given to create within 1 to 2 years the necessary conditions for land reform; that is, a stabilized situation including the evacuation of all Nationalist troops, a demand from the majority of peasants for confiscation and redistribution, and enough agrarian reform workers guiding the movement to assure success. At the same time, steps were to be taken to prevent a falling off in agricultural production. Thus the actual work of land distribution was usually carried out after the fall harvests and relaxed at spring planting time.

According to the official plan, land was to be distributed progressively over a series of years, so that by the spring of 1952 the first stages of land reform would have been completed and specified numbers of the rural population would have been benefited, on the following schedule 2/: by the spring of 1949, 100 million people; by the spring of 1950, 157 million; by the spring of 1951, 285 million; and by the spring of 1952, 385 million.

Certain districts have been excluded from this schedule: Sinkiang, Inner Mongolia, the Northwest, and Tibet. Because of the indigenous customs pertaining to land tenure among the minority ethnic groups living in these districts, a different technique to be described later is being applied.

Members of peasant households in Honan received from 2 to 3 mou (0.13 to 0.2 hectare) of land per capita, and in Hunan and Hupeh the allotments of land ranged from 1 to 2.5 mou (0.06 to 0.17 hectare). 3/

By the spring of 1952, about 300 million peasants, including members of their households, had received land benefits, and it is the expectation that land distribution will have been completed by the end of 1952. 4/ As a rule, certificates of proprietorship have been issued to peasants receiving land. 5/

As a means of checking the progress of their program, the Communist hierarchy sent out inspection teams in the early part of 1952 to determine irregularities and report cases in which the land reform had not been successful. Persons accused of being deviationists were very often subjected to violence. It is, in fact, estimated that at least 1.5 million people have been executed and that perhaps 35 million to 45 million have been stigmatized as "exploiters" and have been pauperized and maltreated in varying degrees. 6/ It is possible that this procedure has been used as a tool to create a "labor force" for use on government projects such as the Hwai Ho water conservancy project.

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2. Role of the Communist Party in the Redistribution of Land.

The Communist Party has rigidly controlled the redistribution of land in China through directives to Party cadres, who are trained and then sent to the villages to organize work teams to effect the confiscation of land, to classify the inhabitants (that is, as landlords, middle peasants, and poor peasants), and actually to distribute the land. Furthermore, following the distribution of the land, the cadres engage in completely reorganizing rural life. By indoctrination and training they are attempting to gain control of the people at the grass-roots level, especially in old "liberated" areas like North China and the Northeast.

3. Further Steps in Chinese Communist Agrarian Policy.

The Chinese Communists do not intend that the land redistribution is to be an end in itself. It is only the first stage in their agrarian policy. Land redistribution was almost immediately followed by a second stage inaugurated by the organization of so-called Mutual Aid Teams. The programs set up for these Mutual Aid Teams have been of four general types: (a) The first type is the interchange of labor at seeding time in spring. (b) The second type is the interchange of labor during each of the three busy seasons of planting, cultivating, and harvesting. In this program, the winter season, when supplemental income is earned, is not included. (c) The third type is the establishment of a year-round labor pool in which implements and animals sometimes are owned jointly, and sometimes working capital is also pooled. (d) The fourth type is the cooperative farming of the land, with all operations of planting, cultivating, and harvesting performed on a partnership basis, production being divided according to inputs. This fourth type still excludes the winter supplemental work. 7/

It has been officially announced that 80 percent of farm households in Manchuria and 55 percent in North China have been organized into Mutual Aid Teams of one or another of these four general types. 8/ Statistics are incomplete for the rest of China, but percentages of organization are undoubtedly lower than in the North and Northeast, where Communist control is not so firm. The 1952 plan for North China is to organize 70 to 80 percent of all peasants into cooperatives and other types of Mutual Aid Teams.

The next stage of the agrarian reform is the organization of the Agricultural Producer Cooperative, in which all boundaries of household lands are eradicated and in which there is a complete division of activities among labor groups. The government encourages the

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evolution of the four types of Mutual Aid Teams into the Agricultural Producer Cooperative type. The shares of each member in the profits are governed by the individual's inputs of land, labor, and capital. In an April speech, Kao Kang, chairman of the Northeast China People's Government, stated that there are now more than 1,200 Agricultural Producer Cooperatives in the Northeast.*

At the same time that Agricultural Producer Cooperatives are being encouraged by the government, state farms are being organized in increasing numbers. There are 52 relatively large state farms in various localities, 10/ including 20 large mechanized farms in Manchuria. 11/ The latter have been in existence since the Japanese occupation and were taken over by the Communist government in 1948. The purpose of the large farms in Manchuria is to train cadres of young Communists in modern mechanized farming methods and at the same time to indoctrinate them with the "political ideology" which is thought to be correlated with the idea of collective farming. Wheat and soybeans are mostly grown on these farms. The goal is to establish a state farm at regional, provincial, county, and subcounty levels, to serve as a model for Mutual Aid Teams and Agricultural Producer Cooperatives.

Nationalization of the land has not entered into the Chinese picture as yet. The Chinese Communists are convinced, however, that agriculture must be collectivized if China is to acquire the capital and labor it needs for industrialization.

4. Evaluation of Chinese Communist Agrarian Policy.

There are many indications that the Chinese Communists are in a general way following in the path of Communists in the USSR and the European Satellites, benefiting perhaps in some instances by their experiences and mistakes. As in the USSR, the first principle of action has been the abolition of private ownership of land "in order to free the rural productive forces, develop agricultural production, and thus pave the way for New China's industrialization." 12/ By this means the regime will gain control of agricultural production.** Like the USSR, China needs agricultural commodities to barter for industrial goods.

* Kao Kang further stated that the Northeast would be fully mechanized within 5 or 6 years. 9/

** Before the Japanese War, 80 percent of the total value of China's exports came from agricultural commodities.

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The genuine grievances of the Chinese peasants have been skillfully utilized by the Chinese Communists in their struggle for political power, agrarian reform being made an effective political instrument. Consequently, one characteristic of the land policy of the Chinese Communists is its synchronization with political expediency. Certainly it can be expected that the regime became popular to a degree, having given the "land to the tillers," 12/ which was the promise of Sun Yat Sen. What has actually followed as an immediate after-effect is a matter of conjecture. There have been reports 13/ that the taxes exacted by the Communists are higher than total taxes under the old government -- the announced rate is no higher than 37 percent of all crops produced -- but some reports indicate that it is often as high as 50 to 70 percent. When the 1952 wheat harvest turned out to be better than average, the government immediately announced a higher collection rate. In addition to taxes, farmers are induced to make "voluntary" contributions to "victory bonds" and to "arms for Korea."

Since June 1950, Chinese Communist tactics have been to encourage a "rich" peasant economy. By efforts to induce peasants to work without fear that their produce would be requisitioned, the government hopes to stimulate production. "Rich" peasants are encouraged because their land and means of production are generally superior and because their productivity is therefore higher than the average. At the same time, the government has taken steps to minimize resistance to its policies. As in all primitive countries, Chinese peasant farmers are wedded to the principle of private property and do not understand the "advantage" to be gained from nationalization.

Another aspect of the Chinese Communist agricultural policy is that great stress has been placed on encouraging the peasants to organize voluntarily, a process which may permit China to avoid the disruption that followed the forced collectivization of land in the USSR in the early 1930's. According to one report,

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Kao Kang said 15/: "Cooperatives in such manner [that is, forcibly organized] will produce very poor results and will leave a bad impression upon the people, adding difficulties to the future development of Agricultural Producer Cooperatives."

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Propaganda, political pressure, and economic inducements are combined to convince peasants of the "advantages" of Mutual Aid Teams and Agricultural Producer Cooperatives. For instance, farm equipment supply stations, fertilizer cooperatives, and so on, give priority of supply to Mutual Aid Teams and Agricultural Producer Cooperatives.

In the Northwest and some other areas where there are ethnic minorities, the implementation of the land reform differs from that carried out in areas populated by Chinese. Chinese Communist officials have even stated 16/:

"Before land reform can be carried out well, it must be demanded by the local minority nationality masses, concurred in by the leading personages, directed by localities, and its method of implementation planned in complete conformity with local conditions.

"There will be no expropriation of land owned by Mohammedan mosques and Tibetan monasteries for distribution. These lands are closely related to the religious faith of the masses and they must be differentiated from the land of the landlords."

In China proper the graves which, it is said, occupy 2 percent of the arable land, have so far been left intact, although many churches have been confiscated and are used for grain storage.

It is perhaps too early to judge the results of the agrarian policies, but it appears that agricultural production has not been measurably affected as a result of the land distribution. It is reported that some peasants have already become disenchanted with the regime -- with its interference in their private lives, and constant drives for donations added to the high taxes -- and have resisted through the weapon of lowered production. This result is difficult to ascertain, however, from production statistics, because of the long period of war with Japan, then civil war and disruption, and a serious drought in 1949.

Among the problems which will confront the Chinese Communist government are a further subdivision of the tillable land and the practical application of mechanization. The latter cannot be accomplished without the consolidation of small holdings into units large enough for the economic use of modern farm machinery which is one of the reasons for the government stressing the Agricultural Producer Cooperative.

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For the Communists, the mechanization of agriculture is pre-requisite to industrialization, and in China it seems a particularly formidable problem. Agricultural implements cannot be manufactured domestically in sufficient amounts, and the more urgent need of other items precludes the importation of agricultural implements. There is no evidence of the importation of agricultural machinery in significant quantities either from the USSR or from other sources. On the other hand, the estimated industrial labor force of China and Manchuria today is about 2 million as contrasted with an agricultural labor force of 200 million to 240 million. Chinese industry is unable to absorb the present surplus agricultural labor, and there would have to be a tremendous expansion in industry before the additional labor supply released by the mechanization of agriculture could possibly be absorbed.

It is believed that mechanization of agriculture in China will follow the same general pattern as was followed in the USSR, and as is being followed in the European Satellites today. This pattern is to propagandize mechanization, but to defer its being put into effect until such time as industry has developed to a point where it can provide the necessary farm machinery and also absorb additional manpower. In all the present Communist countries, at the time that the Communist regimes came into power, there existed a situation similar to that now obtaining in China -- a general inadequacy of industry and a large agricultural population, generally under employed. In the USSR, mechanization of agriculture was not attempted until 10 or 15 years after the Russian Revolution of 1919. The European Satellite governments are only now beginning to make serious attempts to mechanize agriculture, 7 or 8 years after gaining power. How long the mechanization of agriculture will require in Communist China is difficult to foretell, but it is believed to be several years in the future.

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APPENDIX

SOURCES

Evaluations, following the classification entry and designated "Eval.," have the following significance:

- | | |
|--------------------------|--------------------------------|
| A - Completely reliable | 1 - Confirmed by other sources |
| B - Usually reliable | 2 - Probably true |
| C - Fairly reliable | 3 - Possibly true |
| D - Not usually reliable | 4 - Doubtful |
| E - Not reliable | 5 - Probably false |
| F - Cannot be judged | 6 - Cannot be judged |

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this report. No "RR" evaluation is given when the author does not disagree with the evaluation on the cited document.

1. People's China, Supplement to No. 2, Vol. II, 16 Jul 1950.
U. Eval. RR A-1.
2. OIR Report No. 5713, 8 Nov 1951. R. Eval. RR B-3.
3. Chao Kuo-chün, "Current Agrarian Reform Policies in Communist China," reprinted from The Annals of the American Academy of Political and Social Science, Sep 1951. U. Eval. RR 1.
4. Department of State Despatch No. 1126, Hong Kong, 5 Dec 1951.
U. Eval. RR 3.
The figure given in this source is 310 million. Later data, however, indicate that "areas with total rural population of 300 million have fulfilled land reform." FBIS, 1 Oct 1952, p. AAA 26. R. Eval. RR C-3.
5. [REDACTED]
6. OIR Report No. 5713, 8 Nov 1951, p. 5. R. Eval. RR B-1.
7. [REDACTED]
8. OIR Report No. 5650.8, 15 Mar 1952. S. Eval. RR B-1.
9. FBIS, 21 Apr 1952. R. Eval. RR 2.

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10. People's China, No. 19, 1 Oct 1952, p. 17. U. Eval. RR 2.
11. Interrogation of August Schill, 7 Mar 1952. S. Eval. RR F-3.
12. People's China, Supplement to No. 2, Vol. II, Article 1.
U. Eval. RR A-1.
13. These reports include: IR-52-52, CIA 727878, 26 Jan 1952 (S.
RR Eval. F-2.);

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15. FBIS, 21 Apr 1952, p. AAA 23. R. Eval. RR 2.

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